



## Section 5: Project Management

### IT Investment Management

#### Activities/Milestones Last Quarter

##### IT Strategic Planning/IT Portfolio Management

Each executive branch agency and public institution of higher education is required to submit an agency IT Strategic Plan through their proponent Secretary to the CIO, based upon guidance issued by the CIO. The Agency IT Strategic Plan is used by agencies to align agency technology investments, the agency budget, Commonwealth technology initiatives, and agency organizational priorities, goals, and objectives.

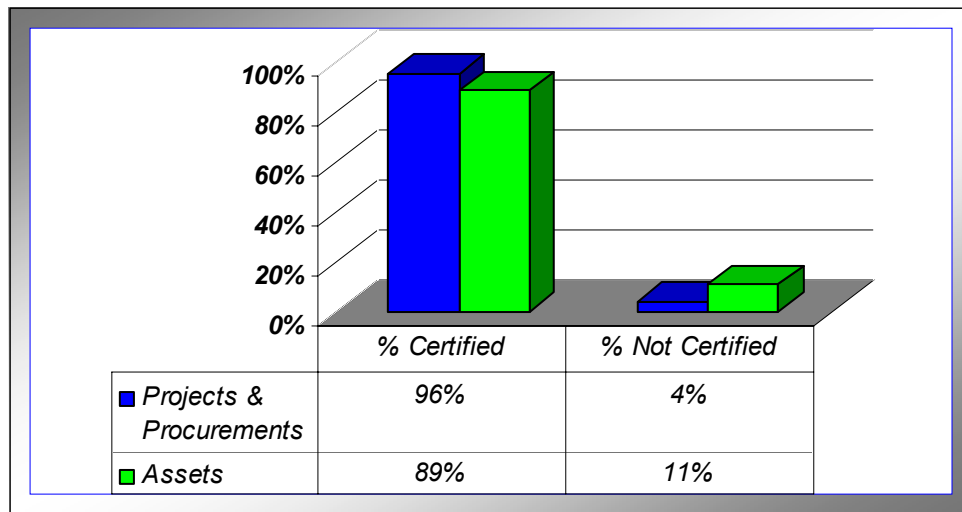
Parts 1 and 2 of this year's IT Strategic Planning process focused on planned projects and procurements required to address agency strategic goals and critical issues for the two-year budget biennium. Part 3 of the plan required agencies to update the agency technology asset portfolio. Each agency head was asked to certify that all information requested as part of the IT Strategic Planning process was submitted and was deemed to be an accurate presentation of the information provided by the agency. The status of agency IT Strategic Plans certifications is provided in Exhibit 5-1, below.

VITA's Project Management Division (PMD), on behalf of the CIO, reviews submitted IT plans for completeness, adherence to planning guidelines, and compatibility with the Commonwealth's Strategic Plan for Technology and Enterprise Architecture standards. Based upon plan reviews, PMD recommends approval or disapproval of the agency plan to the CIO. Preliminary recommendations are categorized as "Approved", "Approved with Comment", or "Disapproved" to the CIO. Upon CIO approval, a formal notification of the agency ITSP approval status is distributed to each agency head. Agencies with plans that are "Approved with Comment" or "Disapproved" will be required to work with PMD to achieve an "Approved" status for their plans.

#### Section Highlights:

- Priority technology investment projects for the 2004-2006 budget biennium submitted to IT Investment Board and General Assembly.
- Commonwealth Project Manager Development Program implemented.
- Project Manager Selection and Training Standard promulgated.
- Commonwealth Project Management Overview Training initiated.
- Interim processes for IT Strategic Plan Amendment and Major IT Project Approval implemented.
- Project Portfolio Database to facilitate IT Portfolio maintenance and reporting developed.

### Exhibit 5-1 Agency IT Strategic Plan Certification Status



Accomplishments and key milestones met in the last quarter were:

- Completed review of the Agency IT Strategic Plans certified to date;
- Presented an Overview of the IT Strategic Planning process and Planning Cycle to the ITIB; and
- Implemented an Interim ITSP Amendment Process as part of the Interim Major IT Project Approval Process (see Appendix 5-1).

The proposed Performance Measure for the IT Strategic Planning process is to have 100 percent of Agency IT Strategic Plans certified and Approved, without comment, by the CIO by April 1, 2004.

## IT Investment Board & Investment Management

During the last quarter, the Information Technology Investment Board (ITIB) began execution of its investment management responsibilities, supported by the CIO and VITA. The ITIB met five times in the quarter, receiving several reports on current and proposed processes for planning and development approval of major IT projects. The Board's IT Project Review Subcommittee was established, supported by PMD, to refine the criteria and metrics for project management, as well as recommend major IT project approvals to the Board.

Last quarter IT Investment Management accomplishments include:

- Launched an ITIB Web site, on the VITA Web site, to support board activities.  
<http://www.vita.virginia.gov/ITIB/ITIB.cfm>
- Presented the "Recommended Technology Investment Projects for the 2004-2006 Budget Biennium" report to the ITIB for its concurrence at the September 25 meeting.

The report was submitted to the General Assembly on August 29 with an update on September 9 (see Appendix 5-2).

- Presented the "Priority Technology Investment Projects and Technology Management" presentation to the ITIB at their October 15th Meeting (see Appendix 5-3). The presentation covered the following areas:
  - √ Commonwealth Priority Technology Projects (Top 26);
  - √ Review of Interim Procedures for IT Project Approval;
  - √ Proposed Evaluation Criteria for ITIB Development Approval; and
  - √ Board approval of specific VDOT projects.
- Submitted and obtained ITIB approval of the Priority Technology Investment Projects Report to the ITIB. The report was approved by the ITIB and subsequently sent to the Governor and the General Assembly (see Appendix 5-4).
- Developed proposed project evaluation criteria, the "Interim Balanced Scorecard Decision Criteria for Proposed Information Technology Investments," for consideration in ITIB development approval of major technology projects (see Appendix 5-5).

## Policies, Standards, and Guidelines

In support of the *Code of Virginia* mandates to the CIO, the PMD developed additional IT Investment Management-based policies, standards, and guidelines to promote effective technology and project management in the Commonwealth, including:

- The Project Manager Selection and Training Standard (Appendix 5-6);
- A draft Revised Commonwealth Technology Management (CTM) Policy, updated to align it with the VITA legislation (Appendix 5-7); and
- An Interim IT Strategic Plan Amendment Process and Interim Major IT Project Approval Process (Appendix 5-1).

## Activities/Milestones Next Quarter

### IT Strategic Planning/IT Portfolio Management

During the next quarter, approved Agency IT Strategic Plans will be published on the Commonwealth Technology Portfolio Web site. It is important at this point to evaluate the IT Strategic Plan process and perform a "lessons learned" evaluation to identify opportunities for improvement. To support this effort, a focus group comprised of agencies' IT representatives and VITA PMD staff will be established.

Strategic planning is a dynamic, iterative process that drives investment management. As business needs change, agencies must have a process to incorporate these changes into their strategic plans. Currently, the process to amend strategic plans is manual.

Implementation of a Web-based IT Strategic Plan amendment process is planned for the next quarter to improve response times to requested business changes.

In preparation for the next budget cycle, the CIO will need to issue IT Strategic Plan update guidance to the agencies. At a minimum, this will be a certification of existing information within each agency technology portfolio.

The 2004-2006 IT strategic planning cycle was the first planning cycle to capture agency information electronically within a database that could be used for analytical purposes. As VITA management and staff work with the current information within the Commonwealth Technology Portfolio, new operational and strategic requirements have surfaced. A gap-analysis to determine the scope and focus of Phase 2 of the Commonwealth Technology Portfolio Project will be completed.

## IT Investment Board and Investment Management

The following goals in support of the ITIB are targeted for next quarter:

- Obtain final approval from the ITIB on proposed balanced scorecard evaluation criteria and major IT project approval processes;
- Schedule upcoming major project reviews by the CIO, ITIB Project Review Subcommittee, and the Board itself.

## VITA Project Management Division

PMD will continue to provide support to agencies, the CIO, and ITIB, as staffing levels and commitments permit. The possibility of PMD staff augmentation in the next quarter, due to the possible early transition of VDOT staff, will be incorporated into preliminary VITA/PMD staffing plans. The PMD Budget Decision Package submitted by VITA for the 2004-2006 Budget Biennium requesting additional resources (including staff) to address recognized resource shortfalls, was not included in the Governor's Executive Budget presented to the General Assembly on December 17.

In the absence of additional resources, available PMD staff will continue to be focused on basic *Code* mandates in IT Investment Management, strategic planning, and project management and oversight. Other *Code*-related responsibilities in IT project consulting, best practices promulgation, agency IT budget reviews, and project auditing will receive only very limited attention, at best.

Development will continue on Version 2 of the Commonwealth Major IT Project Status Report Dashboard. Anticipated enhancements include improvements to the project status reporting process and a change management history that will provide the ability to track project baseline and document changes over the life of a project.

## Policies, Standards, and Guidelines

The following IT Investment Management-related policy and standards will be promulgated in the next quarter, pending CIO and ITIB approval:

- Revised Commonwealth Technology Management Policy (see Appendix 5-6);
- IT Strategic Planning and Portfolio Management Standard; and
- Commonwealth Project Management Standard.

Proposed policies and standards will be posted to the VITA Online Review and Comment Application (ORCA) for 30 days of public comment before final CIO and ITIB action.

## Commonwealth IT Project Portfolio Quarterly Status

### Activities/Milestones Last Quarter

## IT Project Portfolio

The Commonwealth IT Project Portfolio is a dynamic collection of proposed and active major technology projects. Currently projects within the IT Project Portfolio are divided into eight categories to support analytical review and life-cycle management of the portfolio. Exhibit 5-2 is a tabular depiction of the project portfolio showing the number of projects in, and dollar value of, each category. Appendix 5-8 is a listing of all proposed and active projects in the IT Project Portfolio by category.

**Exhibit 5-2**  
**Commonwealth Major IT Project Portfolio Summary**

	No. of Projects	Project Cost (Estimate At Completion)
Identified for Preliminary Planning	35	\$245,640,461
Recommended for Planning	89	\$280,943,725
Approved for Planning (by CIO)	1	\$800,000
Recommended for Development Approval (by Secretarial Oversight Committee & CIO)	0	\$0
Approved for Development (by IT Investment Board)	3	\$22,689,037
Active Projects	33	\$985,431,050
Projects Pending Closeout	2	\$20,700,000
Suspended Projects	<u>2</u>	\$2,600,000
<b>Commonwealth Totals</b>	<b>165</b>	<b>\$1,558,804,273</b>

The previous view of the IT Project Portfolio which was presented to the Governor and General Assembly in the August 29 report, Recommended Technology Investment Projects for the 2004-2006 Budget Biennium, segmented the portfolio into 3 categories and included only major IT projects requiring funding in FY05/06. The current view includes all planned and active major IT projects, divided into the eight categories listed in Exhibit 5-2.

Dividing the IT Project Portfolio into eight categories facilitates tracking projects through the project life cycle and periodic reporting to the IT Investment Board. The projects in the "Approved for Development" category are delineated separately to specifically highlight quarterly actions by the IT Investment Board.

Exhibit 5-3 provides summary statistics by category of net changes to the IT Project Portfolio since the August 29 report to the Governor and General Assembly.

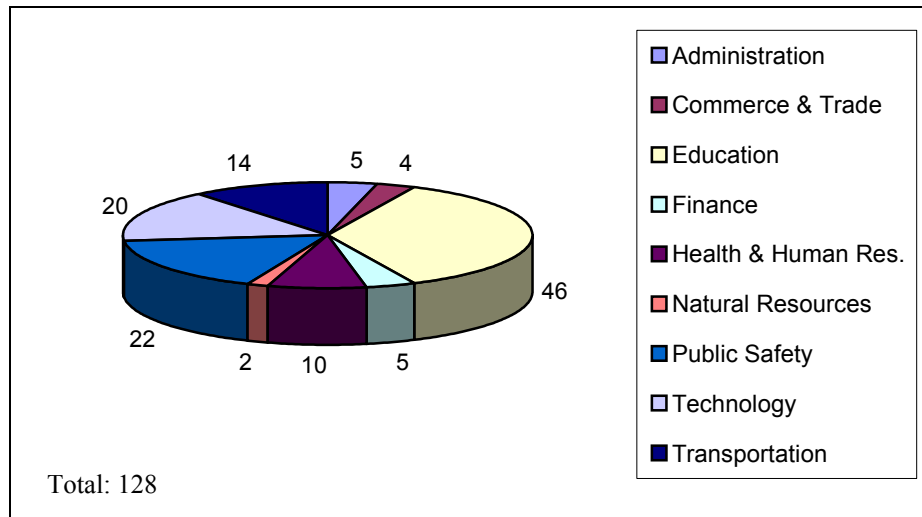
### **Exhibit 5-3** **Changes in the IT Project Portfolio** **September-November 2003**

Portfolio Category	Net Change in # of Projects	Net Change in \$\$ Value* (in millions)
Identified for Preliminary Planning	+8	+\$88.10
Recommended for Planning	+4	+\$0.07
Approved for Planning (by CIO)	+1	+0.80
Recommended for Development Approval (by Secretariat Oversight Committee & CIO)	None in Category	NA
Approved for Development (by IT Investment Board)	+3	+\$22.69
Active Projects	+7	+361.37
Pending Closeout	+2	+\$20.70
Suspended	+2	+\$2.60

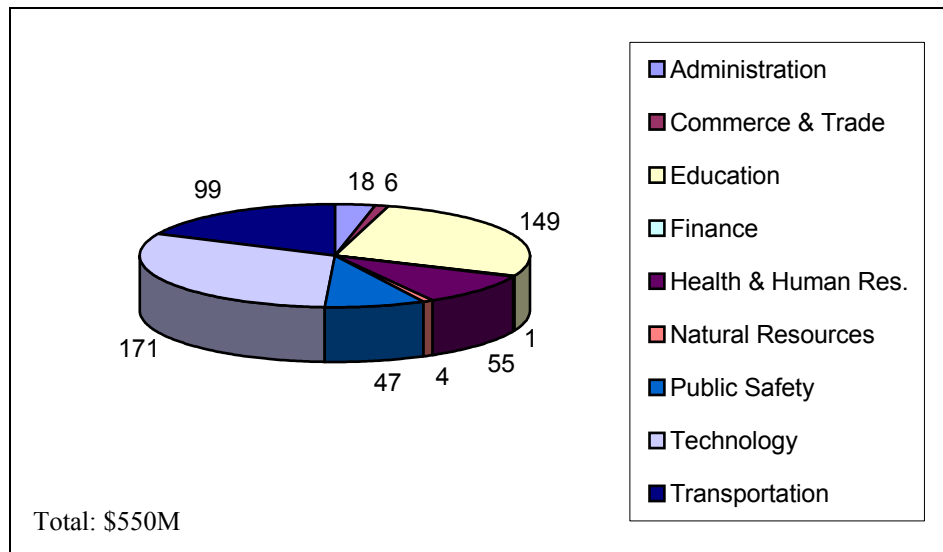
\* Change in Total Dollar Value of Project Cost (Estimated at Completion)

Additional views of the IT Project Portfolio by Secretariat are provided in Exhibits 5-4 and 5-5 for proposed projects, and in Exhibits 5-6 and 5-7 for active projects.

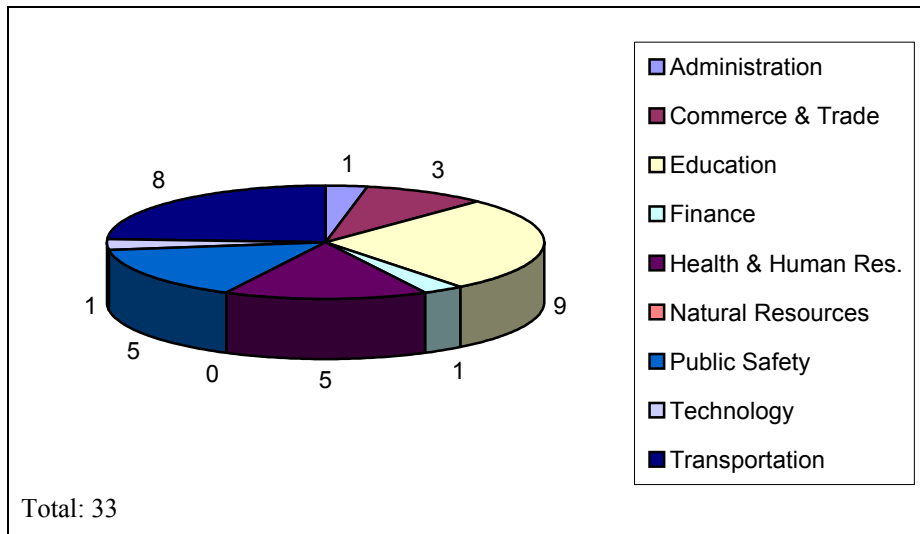
**Exhibit 5-4**  
**Proposed Major IT Projects By Secretariat**  
**(Number of Projects)**



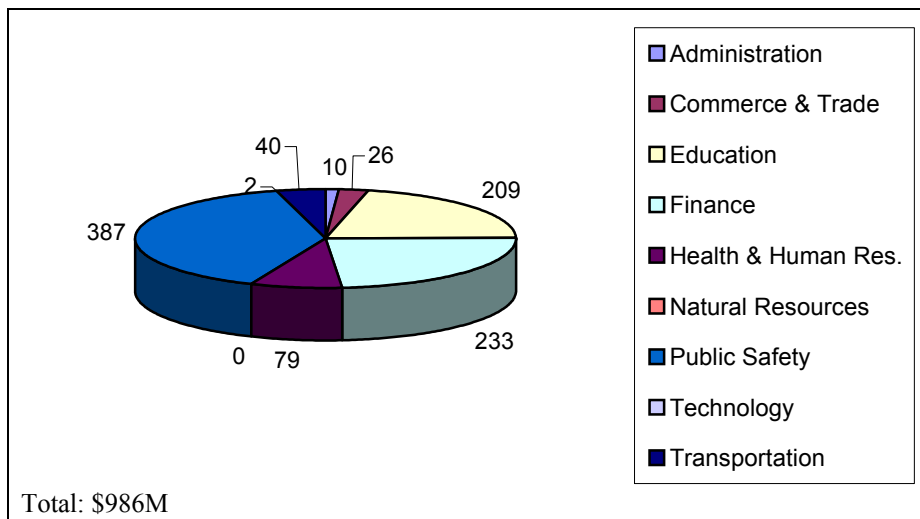
**Exhibit 5-5**  
**Proposed Major IT Projects By Secretariat**  
**(Cost of Projects in Millions)**



**Exhibit 5-6**  
**Active Major IT Projects By Secretariat**  
**(Number of Projects)**



**Exhibit 5-7**  
**Active FY 05 & 06 Major IT Projects By Secretariat**  
**(Cost of Projects in Millions)**

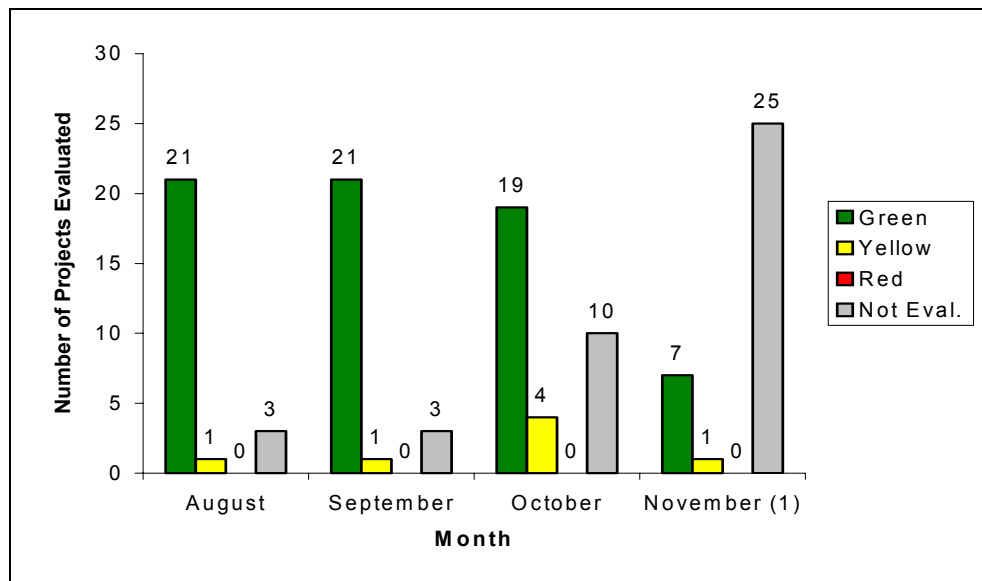




## Commonwealth Major IT Project Status Report Dashboard

The Commonwealth Major IT Project Status Report Dashboard presents the CIO, sponsoring Secretariats, and proponent state agencies with a succinct and timely summary of the status of their major information technology projects. Each month the overall status of a project is evaluated as Green (On Track), Yellow (Warning, consider corrective action or monitor previous corrective action), or Red (Problem, immediate corrective action required). Continuing a trend during the previous quarter, an increasing majority of projects were evaluated as Green (see Exhibit 5-8).

**Exhibit 5-8**  
**Major IT Project Status Report Dashboard**  
**Evaluation Summary for the Quarter**



(1) Status reports are entered into the Dashboard in the month following the reporting period. Status report figures for November reflect Secretariat evaluations completed through December 15, 2003.

## Activities/Milestones Next Quarter

### IT Project Portfolio

During the coming quarter, VITA PMD staff will continue to maintain the IT Project Portfolio to support tracking of project progress through the project life cycle and reporting of project activity to the IT Investment Board.

## Commonwealth Major IT Project Status Report Dashboard

As noted above, a new version of the Dashboard is planned for implementation in the next quarter. PMD staff will present to the CIO recommendations for improving the timely evaluation of monthly status reports. An expanded public view of the Dashboard is also scheduled for implementation.

## Project Manager Development Program (PMDP)

### Activities/Milestones Last Quarter

#### Project Manager Selection and Training Standard

The Project Manager (PM) Selection and Training Standard establishes minimum qualifications and training requirements for all Commonwealth of Virginia IT project managers. The standard has five components: PM testing and training; mandatory PM qualifications; PM mentoring; a PM qualification and selection process; and an implementation schedule for the standard. The CIO approved the standard on September 24 and directed its promulgation to Commonwealth Executive Branch agencies.

#### Project Manager Qualification and Testing

Project Management Knowledge testing is a required qualification standard for project managers of IT projects with a value exceeding \$100,000. The testing is divided into Core and Facilitating Processes Tests. The passing score baseline is 80 percent overall with a 75 percent minimum on any individual topic area. VITA has contracted with J. Sargeant Reynolds Work Force Alliance to develop and administer the testing for project managers. Key milestones met in the last quarter were:

- Test Database of 460 questions established September 5;
- Practice test established and operational October 1;
- Initial/final user testing of test environment conducted mid-October to mid-November; and
- Testing system fully operational November 24.

#### Project Manager Development Web site

The Project Manager Development Web site is the principal communications vehicle for disseminating information and implementing the Project Manager Development Program (PMDP). The site provides access to the project manager qualification standards; program and mandatory training registration; a secure individual qualification record; instructions

and access to qualification testing; a list of training partners; and access to the Project Management Information Clearinghouse. The Web site went live on September 30 and immediately began generating significant activity. To date, online PM Qualification Records have been established for over 459 program participants.

## **Training Partners Identified**

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To assist agencies and project managers in locating appropriate cost effective PM training, part of the PMDP Web site has been dedicated to training partners who wish to advertise their project management training opportunities and classes. Training partners are required to have regularly scheduled classes in which individuals or groups can enroll. Training partners are also asked to provide a government rate or discount and to map their curriculum to the Commonwealth's project manager knowledge standards. A Request for Information (RFI) and the Web site were used to communicate this opportunity to potential training partners. The response was very favorable. To date:

- A total of eight training partners have responded to the RFI and Web site;
- Seven were qualified for listing on the Web site (ESI, Systemation, PPI, Management Concepts, Phase 3 Performance, I/Tech Computer Services, and New Horizons); and
- One is pending qualification following establishment of a class schedule (James Monroe Center-Mary Washington College).

## **Commonwealth Project Management Overview Training**

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All project managers and project sponsors of Commonwealth IT projects must attend the Commonwealth Project Management Overview Training. VITA's Project Management Division and Professional Development Division coordinate and provide this training at no cost to agencies. Commonwealth Project Management Overview Training addresses the Commonwealth Technology Management Policy, the Commonwealth Project Management Guideline, and the Project Manager Selection and Training Standard.

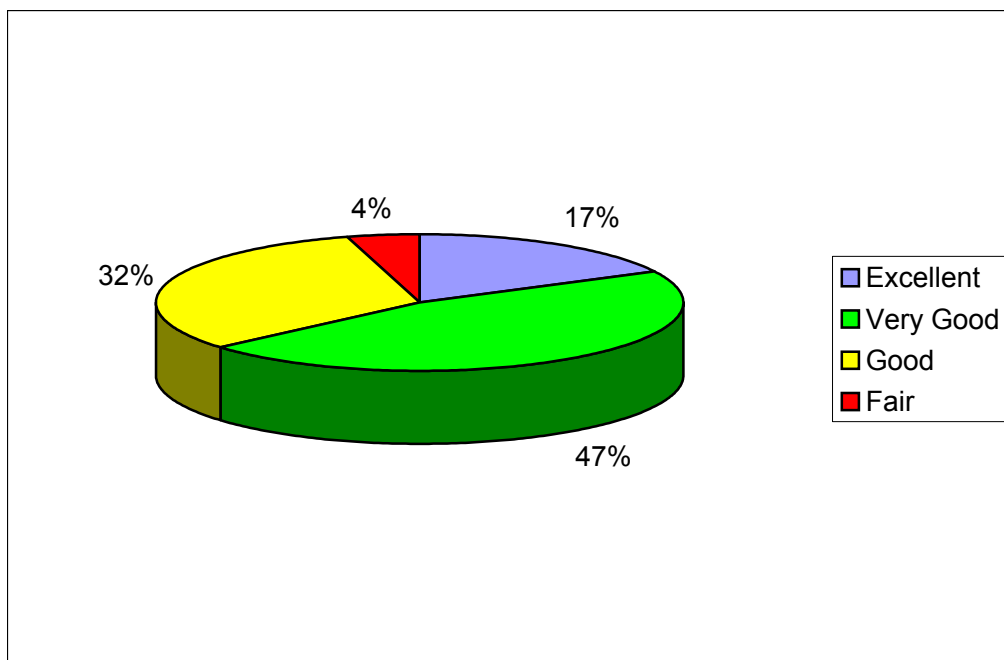
The initial round of classes for Commonwealth Project Management Overview Training took place October 22-28. The demand for this training has been higher than expected. To accommodate the increased demand for training, the following additional sessions were added to the training schedule:

- November 12 – VITA staff;
- December 4 – All agencies;
- December 9 – Southwest Virginia Region, hosted by Virginia Tech; and
- December 11 and 16 – Department of Motor Vehicles.

During the first quarter of the Project Manager Development Program, more than 300 participants attended Overview Training.

Students are asked to rate the Overview Training on a scale of Excellent, Very Good, Good, or Fair. As can be seen in Exhibit 5-9, feedback has been very positive, with a majority of students rating the training as Excellent to Very Good. The performance goal for the training is that at least 65 percent of students rate the training overall as Very Good or Excellent.

**Exhibit 5-9**  
**Student Evaluation Of Mandatory Commonwealth**  
**Project Management Overview Training**



### Program Participants Meeting Qualification Standards

The requirement for project managers to meet qualification standards for Commonwealth IT projects is being implemented on a phased schedule. After February 2004, all **new** major IT projects must be managed by a project manager that meets qualification standards. **All** major IT projects must have a project manager that meets qualification standards by August 2004. On an exception basis, with the recommendation of the Proponent Secretariat Oversight Committee, and approval of the CIO, agencies may request a six-month waiver of qualification standards for a named project manager.

VITA's Project Management Division is monitoring the number of project managers of active major IT projects enrolled in the Project Manager Development Program. The goals are:

- By February 2004, 70 percent of project managers for active major IT projects are enrolled in PMDP.
- By August 2004, 100 percent of project managers for active major IT projects are enrolled in PMDP.

**Currently, 56 percent of the project managers for active major IT projects have enrolled in the program.** PMD recently sent a message to all project managers of active major IT projects who have not enrolled in PMDP, reminding them of the qualification requirements.

PMD is also monitoring the number of project managers of active major IT projects attending mandatory Commonwealth Overview Training. The goals are:

- By March 2004, 70 percent of project managers for active major IT projects will have completed mandatory Overview Training.
- By August 2004, 100 percent of project managers for active major IT projects will have completed mandatory Overview Training.

**Currently, 44 percent of project managers of active major IT projects have completed the Overview Training.**

Most importantly, PMD is measuring the number of project managers for active major IT projects who have met the qualification standards established in the Project Manager Selection and Training Standard. The goal is:

- By August 2004, 80 percent of active major IT projects will have project managers that meet the qualification standards established in the Project Manager Selection and Training Standard (with the CIO granting waivers to no more than 20 percent of active major IT projects).

**Exhibit 5-10**  
**PMDP Participants Meeting Qualifications**

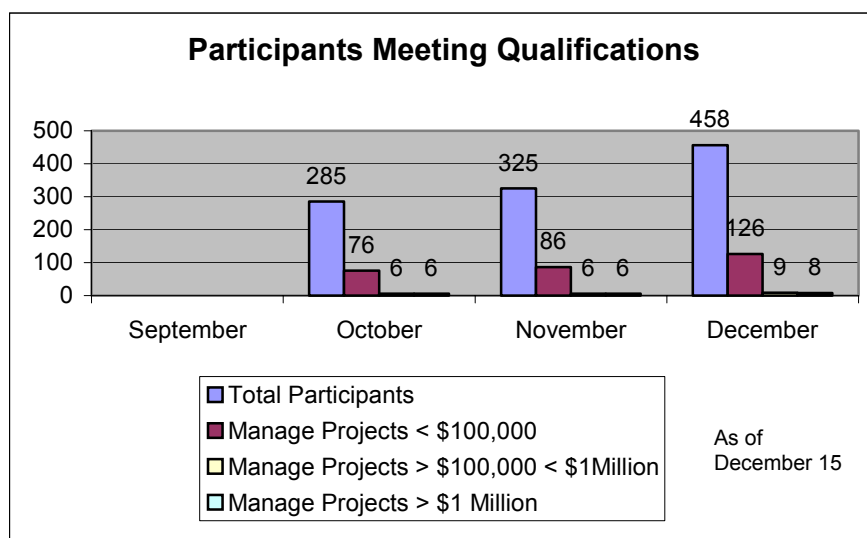


Exhibit 5-10 illustrates the number of PMDP participants meeting the three qualification standard levels. None of the project managers currently managing active major IT projects have fully satisfied all qualification requirements outlined in the Project Manager Selection and Training Standard.

In the overall PMDP participant pool, eight participants have met qualification requirements for Major IT projects—those costing more than \$1 million, or are mission critical, or have statewide application. Nine participants have met qualification standards to manage Non-Major projects costing more than \$100,000. One hundred twenty-eight participants have met minimum required standards for projects smaller than \$100,000.

## Activities/Milestones Next Quarter

### Project Manager Qualification and Testing

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During the next quarter, there will be an increased emphasis on PMDP participants completing testing requirements. The percentage of participants successfully completing the qualification test will directly impact the percentage of participants who have met project manager qualification standards.

### Project Manager Development Web Site

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The Project Management Information Clearinghouse will become operational during the upcoming quarter. The Clearinghouse will provide project managers with access to: information on best practices and lessons learned in project management; project background information on Commonwealth IT projects; training partner information; news and recognition (of achievements); a project manager bulletin board; a project manager mentor list; and the capability to search across the site for information related to IT project management. PMD will continue enhancement of the Web site application functionality on an as-needed basis.

### Commonwealth Project Management Overview Training

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PMD will continue to provide Overview Training and to measure the quality of training for attendees. Sessions are already scheduled for Virginia Community College System participants in January and for all agency participants from March 2-4.